

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-02451A
Water Utility of Greater Buckeye, Inc.
3800 N. Central Ave., Ste. 770
Phoenix, AZ 85012

RECEIVED

APR 18 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
-----------	-----------	-------------

FOR COMMISSION USE

ANN04	05
--------------	-----------

entered
4-19-06
RF

COMPANY INFORMATION

Company Name (Business Name) Water Utility of Greater Buckeye, Inc.

Mailing Address 3800 N. Central Ave. Suite 770
(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

602-224-0711

Telephone No. (Include Area Code)

602-224-5455

Fax No. (Include Area Code)

602-725-0889

Pager/Cell No. (Include Area Code)

Email Address johnmihlikjr@wmcwater.com

Local Office Mailing Address 201 E. Coronado St.
(Street)

Buckeye

(City)

AZ

(State)

85326

(Zip)

623-386-4252

Local Office Telephone No. (Include Area Code)

623-386-6638

Fax No. (Include Area Code)

623-764-1952

Pager/Cell No. (Include Area Code)

Email Address robert@wmcwater.com

MANAGEMENT INFORMATION

Management Contact: John Mihlik CFO
(Name) (Title)

3800 N. Central Ave. Suite 770

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

602-244-0711

Telephone No. (Include Area Code)

602-224-5455

Fax No. (Include Area Code)

602-725-0889

Pager/Cell No. (Include Area Code)

Email Address johnmihlikjr@wmcwater.com

On Site Manager: Robert Garcia
(Name)

201 E. Coronado St.

(Street)

Buckeye

(City)

AZ

(State)

85326

(Zip)

623-386-4252

Telephone No. (Include Area Code)

623-386-6638

Fax No. (Include Area Code)

623-764-1952

Pager/Cell No. (Include Area Code)

Email Address robert@wmcwater.com

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: John F. Goodson
(Name)

2025 N. 3rd St. Phoenix AZ 85004
(Street) (City) (State) (Zip)

602-252-5110 602-257-1883 602-252-5823
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Bill Sullivan
(Name)

2712 N. 7th St. Phoenix AZ 85006
(Street) (City) (State) (Zip)

602-248-0372 602-266-8290
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Water Utility of Greater Buckeye, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	3,995	0	3,995
302	Franchises	1,154	0	1,154
303	Land and Land Rights	27,898	0	27,898
304	Structures and Improvements	28,479	13,847	14,633
307	Wells and Springs	115,895	86,084	29,811
311	Pumping Equipment	327,877	122,208	205,669
320	Water Treatment Equipment	5,920	606	5,314
330	Distribution Reservoirs and Standpipes	258,112	103,445	154,667
331	Transmission and Distribution Mains	690,757	253,537	437,220
333	Services	37,406	14,672	22,734
334	Meters and Meter Installations	35,389	12,620	22,769
335	Hydrants	40,341	12,321	28,019
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,573,222	619,340	953,882

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2) SLHY	Depreciation Expense (1x2)
301	Organization	3,995	0%	0
302	Franchises	1,154	0%	0
303	Land and Land Rights	27,898	0%	0
304	Structures and Improvements	28,479	5.0%	1,424
307	Wells and Springs	115,895	5.0%	5,774
311	Pumping Equipment	327,877	5.0%	15,798
320	Water Treatment Equipment	5,920	5.0%	181
330	Distribution Reservoirs and Standpipes	258,112	5.0%	12,906
331	Transmission and Distribution Mains	690,757	5.0%	34,538
333	Services	37,406	5.0%	1,870
334	Meters and Meter Installations	35,389	5.0%	1,550
335	Hydrants	40,341	5.0%	1,909
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	Less CIAC Accumulated Amortization:			(10,199)
	TOTALS	1,573,222		65,750

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME

Water Utility of Greater Buckeye, Inc.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 6,159	\$ 5,979
134	Working Funds		
135	Temporary Cash Investments	1,364	2,226
141	Customer Accounts Receivable	9,742	17,831
146	Notes/Receivables from Associated Companies	159,247	212,522
151	Plant Material and Supplies		
162	Prepayments	2,345	500
174	Miscellaneous Current and Accrued Assets	147,573	143,600
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 326,430	\$ 382,658
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,533,475	\$ 1,573,222
103	Property Held for Future Use		
105	Construction Work in Progress	0	1,300
108	Accumulated Depreciation – Utility Plant	(543,390)	(619,340)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 990,085	\$ 955,183
	TOTAL ASSETS	\$ 1,316,515	\$ 1,337,840

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME	Water Utility of Greater Buckeye, Inc.
---------------------	--

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 0	\$ 2,913
232	Notes Payable (Current Portion)	4,848	5,190
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	10,140	12,360
236	Accrued Taxes	6,752	8,263
237	Accrued Interest	169	169
241	Miscellaneous Current and Accrued Liabilities	0	13,707
	TOTAL CURRENT LIABILITIES	\$ 21,909	\$ 42,603
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 89,920	\$ 84,736
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1,165,515	762,531
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		407,979
272	Less: Amortization of Contributions		(10,199)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1,165,515	\$ 1,160,311
	TOTAL LIABILITIES	\$ 1,277,344	\$ 1,287,651
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 13,500	\$ 13,500
211	Paid in Capital in Excess of Par Value	496,848	496,848
215	Retained Earnings	(471,178)	(460,156)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 39,170	\$ 50,192
	TOTAL LIABILITIES AND CAPITAL	\$ 1,316,515	\$ 1,337,840

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 255,937	\$ 288,929
460	Unmetered Water Revenue		
474	Other Water Revenues	10,075	6,888
	TOTAL REVENUES	\$ 266,011	\$ 295,817
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 48,023	\$ 55,828
610	Purchased Water		
615	Purchased Power	18,916	20,803
618	Chemicals		
620	Repairs and Maintenance	1,422	6,468
621	Office Supplies and Expense	3,283	3,309
630	Outside Services	67,683	76,932
635	Water Testing	2,649	5,221
641	Rents	1,323	2,882
650	Transportation Expenses		
657	Insurance – General Liability	4,456	3,492
659	Insurance - Health and Life	5,348	6,723
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	3,669	5,237
403	Depreciation Expense	72,775	65,750
408	Taxes Other Than Income	4,619	5,405
408.11	Property Taxes	11,471	12,879
409	Income Tax	7,132	10,000
	TOTAL OPERATING EXPENSES	\$ 252,769	\$ 280,929
	OPERATING INCOME/(LOSS)	\$ 13,242	\$ 14,888
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	4,965	7,211
426	Miscellaneous Non-Utility Expenses	(4,770)	(4,770)
427	Interest Expense	(5,904)	(6,311)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (5,709)	\$ (3,870)
	NET INCOME/(LOSS)	\$ 7,533	\$ 11,018

COMPANY NAME

Water Utility of Greater Buckeye, Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	4/11/91	6/2003		
Source of Loan	Seller-Garcia	WIFA		
ACC Decision No.	57607	64890		
Reason for Loan	First Lien	Interconnect Pipeline		
Dollar Amount Issued	\$66,000	\$55,000	\$	\$
Amount Outstanding	\$40,218	\$49,708	\$	\$
Date of Maturity	12/15/14	11/2022		
Interest Rate	8.0%	4.688%	%	%
Current Year Interest	\$3,464	\$2,381	\$	\$
Current Year Principal	\$2,915	\$1,927	\$	\$

Meter Deposit Balance at Test Year End

\$115,698

Meter Deposits Refunded During the Test Year

\$13,804

COMPANY NAME

Water Utility of Greater Buckeye, Inc.

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-802328 (SW1)	3	30	513	18	1 ¼	
55-802333 (SW2)	5	40	279	8	1 ½	
55-800947 (Sun Valley)	20	300		16-20	1 ½	
55-618513 (Bulfer)	5	40	252	8	1 ½	
55-572657 (Sonoran R.)	5	150	850	6	1 ½	2000

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	3	24	
10	3		
7.5	1		
5	6		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	2	5,000	2
140,000	1	2,000	1
11,000	4	1,000	2
5,000	3		

COMPANY NAME

Water Utility of Greater Buckeye, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	525
3	PVC	1,000
4	PVC	4,000
5		
6	PVC	29,134
8	PVC	900
10	PVC	800
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	474
3/4	85
1	12
1 1/2	
2	7
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Water Utility of Greater Buckeye, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

Sun Valley/Sweetwater I System PWS #07-195

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	296	1,521	2,243
FEBRUARY	301	1,674	1,794
MARCH	305	1,482	1,806
APRIL	314	2,050	2,441
MAY	319	2,885	3,232
JUNE	330	3,295	3,655
JULY	324	3,651	4,228
AUGUST	332	3,736	3,899
SEPTEMBER	340	3,212	3,514
OCTOBER	341	3,062	3,308
NOVEMBER	347	2,645	2,891
DECEMBER	346	2,539	3,105
TOTAL		31,752	36,116

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ **Yes** ☐ **No**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ **Yes** ☒ **No**

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see below mg/l
(If more than one well, please list each separately.)

ADWR #55-802328 (SWI) .009 mg/l
ADWR #55-800947 (Sun Valley) .009 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:

Water Utility of Greater Buckeye, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**Sweetwater II System PWS #07-129**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	92	619	758
FEBRUARY	92	541	641
MARCH	93	568	640
APRIL	93	890	978
MAY	93	1,059	1,117
JUNE	91	1,138	1,174
JULY	93	1,143	1,193
AUGUST	93	1,139	1,182
SEPTEMBER	92	1,120	1,217
OCTOBER	92	1,046	1,131
NOVEMBER	93	835	912
DECEMBER	92	855	900
TOTAL		10,953	11,843

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ (X) Yes☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes☒ (X) No

If yes, provide the GPCPD amount: _____ - _____

What is the level of arsenic for each well on your system. see below mg/l

(If more than one well, please list each separately.)

ADWR #55-802332 (SWII)

.012 mg/l***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME: Water Utility of Greater Buckeye, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

Bulfer/Primrose System PWS #07-114

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	83	612	614
FEBRUARY	83	611	663
MARCH	83	587	560
APRIL	83	787	787
MAY	84	951	949
JUNE	84	1,102	1,058
JULY	85	1,116	1,184
AUGUST	88	1,495	1,443
SEPTEMBER	87	962	1,029
OCTOBER	88	901	921
NOVEMBER	87	872	904
DECEMBER	88	760	760
TOTAL		1,023	10,756

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see below mg/l
(If more than one well, please list each separately.)

ADWR #55-618513 (Bulfer) .007 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Water Utility of Greater Buckeye, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

Sonoran Ridge System PWS #07-732

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	36	143	161
FEBRUARY	36	185	155
MARCH	43	162	177
APRIL	40	204	188
MAY	41	260	291
JUNE	44	379	375
JULY	45	361	392
AUGUST	46	348	371
SEPTEMBER	47	328	318
OCTOBER	48	369	388
NOVEMBER	52	313	360
DECEMBER	52	2,622	2,476
TOTAL		5,674	5,652

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ (X) Yes ☐ () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ () Yes ☒ (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. see below **mg/l**
(If more than one well, please list each separately.)

ADWR #55-572657 (Sonoran Ridge) .014 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Water Utility of Greater Buckeye, Inc. **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 12,042

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 18 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE J. John Mihlik - President
COMPANY NAME Water Utility of Greater Buckeye, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
602-224-0711

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 18th **DAY OF**

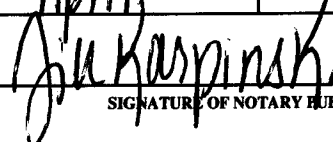
COUNTY NAME Maricopa	
MONTH <u>April</u>	2006

(SEAL)

MY COMMISSION EXPIRES



JILL KASPINSK
Notary Public - Arizona
Maricopa County
Expires 04/15/08



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Water Utility of Greater Buckeye, Inc. **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>58,334</u>
Estimated or Actual Federal Tax Liability	<u>19,834</u>

State Taxable Income Reported	<u>62,619</u>
Estimated or Actual State Tax Liability	<u>4,285</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/15/06

DATE

J. John Mihlik

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 18 2006

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
J. John Mihlik
COMPANY NAME
Water Utility of Greater Buckeye, Inc.

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

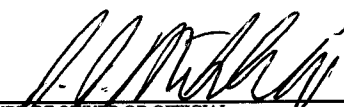
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 313,515

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 17,698
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
602-224-0711

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 18th DAY OF

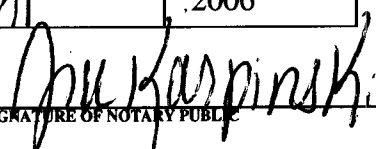
COUNTY NAME	Maricopa	
MONTH	<u>April</u>	<u>2006</u>

(SEAL)

MY COMMISSION EXPIRES



JILL KARPINSKI
Notary Public - Arizona
Maricopa County
Expires 04/15/08



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
APR 18 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) J. John Mihlik	TITLE President
COMPANY NAME Water Utility of Greater Buckeye, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

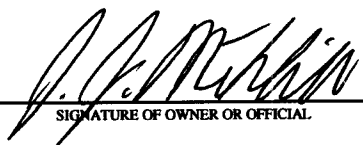
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>313,515</u>

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 17,698
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL


602-224-0711

TELEPHONE NUMBER


SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 18th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES


Jill Karpinski
Notary Public - Arizona
Maricopa County
Expires 04/15/06

NOTARY PUBLIC NAME Jill Karpinski	
COUNTY NAME Maricopa	
MONTH April	, 2006

X 

SIGNATURE OF NOTARY PUBLIC

Water Utility of Greater Buckeye, Inc.
Balance Sheet
December 31, 2005

ASSETS

PROPERTY, PLANT & EQUIPMENT	\$	1,573,222.42
Construction Work in Progress		1,300.00
Accumulated Depreciation		(619,339.67)

TOTAL PROPERTY, PLANT & EQUIP.	955,182.75
---	-------------------

CURRENT ASSETS

Cash	5,979.16
Accounts Receivable	17,831.16
Other Receivable	0.00
Prepaid Expense	500.00

TOTAL CURRENT ASSETS	24,310.32
-----------------------------	------------------

OTHER ASSETS

Restricted Cash	2,226.04
Deferred Income Taxes	15,653.00
Deferred CAP Costs Fee	17,028.00
Amounts Paid for Subsidiaries in Excess of Rate Base Allowed by the ACC	110,919.08
Deposits	0.00
Inter-Co Receivable	212,522.22
Investments	0.00

TOTAL OTHER ASSETS	358,348.34
---------------------------	-------------------

TOTAL ASSETS	\$	1,337,841.41
---------------------	-----------	---------------------

Water Utility of Greater Buckeye, Inc.
Balance Sheet
December 31, 2005

STOCKHOLDER'S EQUITY & LIABILITIES

STOCKHOLDER'S EQUITY

Common Stock	\$ 13,500.00
Additional Paid in Capital	496,848.00
Retained Earnings	(471,178.13)
Net Income	11,017.14

TOTAL STOCKHOLDER'S EQUITY	50,187.01
-----------------------------------	------------------

LONG-TERM DEBT

L-T Debt (Net of C/P)	85,077.32
-----------------------	-----------

TOTAL LONG-TERM DEBT	85,077.32
-----------------------------	------------------

CURRENT LIABILITIES

Current Portion of L-T Debt	4,848.40
Account Payable	2,913.24
Customer Security Deposits	12,360.00
Current Portion of AIAC	2,707.23
Accrued Property Taxes	6,439.28
Accrued Sales & Use Taxes	1,829.53
Accrued Income Tax	0.00
Accrued Debt Interest	169.00

TOTAL CURRENT LIABILITIES	31,266.68
----------------------------------	------------------

DEFERRED LIABILITIES

Meter Deposits	115,697.50
Inter-Co Payable	0.00
AIAC (Net of C/P)	657,833.28
Contribution to Construction	407,979.10
Amortization of Contribution	(10,199.48)

TOTAL DEFERRED LIABILITIES	1,171,310.40
-----------------------------------	---------------------

**TOTAL STOCKHOLDER'S EQUITY
& LIABILITIES**

\$ 1,337,841.41

Water Utility of Greater Buckeye, Inc.
Income Statement
For the Twelve Months Ending December 31, 2005

	<u>Current Month</u>	<u>Year to Date</u>
Water Sales	\$ 28,256.61	\$ 288,928.60
Other Operating Revenue	849.42	6,888.03
TOTAL OPERATING REVENUE	<u>29,106.03</u>	<u>295,816.63</u>
OPERATING EXPENSE		
Wages	3,804.42	55,828.29
Employee Benefits	633.85	6,158.17
IRA Contribution	48.60	564.64
Purchased Power	1,705.38	20,802.67
Repairs & Maintenance	75.29	6,468.09
Water Testing & Treat.	125.60	5,221.48
Outside Services	1,448.08	4,804.95
Management Fees	6,358.00	72,127.00
General Office & Admin.	251.59	3,309.11
Rent	500.00	2,882.00
General Insurance	291.01	3,492.12
Depreciation	5,479.16	65,750.25
Rate Case Expense	0.00	0.00
Bad Debts	384.35	2,061.01
Regulatory/Permits	500.00	3,175.88
Payroll Taxes	703.94	5,404.92
Property Taxes	1,292.98	12,878.94
Income Taxes	2,300.00	10,000.00
TOTAL OPERATING EXPENSES	<u>25,902.25</u>	<u>280,929.52</u>
EARNINGS (LOSS) FROM OPERATION	<u>3,203.78</u>	<u>14,887.11</u>
OTHER INCOME (EXPENSE)		
Interest Income	0.00	0.00
Interest Expense	(911.42)	(6,310.97)
Amortization	(397.50)	(4,770.00)
Other Income (Expense)	2,000.00	4,520.00
Income (Tax) Benefit	2,691.00	2,691.00
TOTAL OTHER INCOME (EXPENSE)	<u>3,382.08</u>	<u>(3,869.97)</u>
NET EARNINGS (LOSS)	\$ <u>6,585.86</u>	\$ <u>11,017.14</u>

Unaudited

Water Utility of Greater Buckeye, Inc.
Statement of Cash Flow
For the twelve Months Ending December 31, 2005

	<u>Current Month</u>	<u>Year to Date</u>
NET EARNINGS (LOSS)	\$ 6,585.86	\$ 11,017.14
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation	6,329.19	75,949.73
Accounts Receivable	(5,673.78)	(8,089.31)
Prepaid Expense	(500.00)	1,844.56
Deferred Income Tax	321.00	321.00
Deferred Expense	325.69	2,790.29
Accounts Payable	2,913.24	2,913.24
Intercompany Payable	(145,634.77)	0.00
Intercompany Receivable	158,098.76	(53,274.87)
Accrued Liabilities	(441.78)	(421.43)
ACC Rate Case Basis Reduction	0.00	0.00
TOTAL ADJUSTMENTS	15,737.55	22,033.21
NET CASH FROM OPERATIONS	22,323.41	33,050.35
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(10,546.98)	(41,047.58)
NET CASH FOR (USED) IN INVESTING	(10,546.98)	(41,047.58)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing	0.00	0.00
Repayment of Debt	(416.52)	(4,842.41)
Restricted Cash	0.00	0.00
Paid In Capital	0.00	0.00
AIAC	(405,952.67)	(413,564.17)
Proceeds from Sec. Deposits	(4,620.00)	2,220.00
Proceeds from Meter Deposits	1,673.50	26,224.50
Contribution to Construction	407,129.07	397,779.62
CASH PROVIDED FOR FINANCING	(2,186.62)	7,817.54
NET CASH FLOW	9,589.81	(179.69)
Summary		
Cash Balance at End of Period	5,979.16	5,979.16
Cash Balance at Beg. of Period	(3,610.65)	6,158.85
Net Increase <Decrease> in Cash	\$ 9,589.81	\$ (179.69)

Unaudited

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Parcel/Account#502-09-011B				87.78
	Parcel/Account#623-32-508 3				1,744.67
	Parcel/Account#623-34-403 1				536.33
	Parcel/Account#623-34-900 6				505.37
	Parcel/Account#623-34-907 7				2,728.53

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES

WATER UTILITY OF GREATER BUCKEYE, INC.

3800 N. CENTRAL AVE., SUITE 770
PHOENIX, ARIZONA 85012
(602) 224-8711

BANK ONE

BANK ONE, N.A.
Phoenix, Arizona

1416

91-2/1221

CHECK NO.

DATE

AMOUNT

Memo: 2nd half - 2004 property taxes

1416

Apr 18, 2005

*****\$5,602.68

PAY
TO THE
ORDER
OF

Five Thousand Six Hundred Two and 68/100 Dollars

Maricopa County Treasurer

P.O. Box 78574

Phoenix, AZ 85062-8574

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK - TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈001416⑈ ⑆122100024⑆

2908⑈3663⑈

WATER UTILITY OF GREATER BUCKEYE, INC.

1416

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Parcel/Account#502-09-011B				87.78
	Parcel/Account#623-32-508 3				1,744.67
	Parcel/Account#623-34-403 1				536.33
	Parcel/Account#623-34-900 6				505.37
	Parcel/Account#623-34-907 7				2,728.53

CHECK DATE

CHECK NO.

PAYEE

DISCOUNTS TAKEN

CHECK AMOUNT

4/18/05

1416

Maricopa County Treasurer

\$5,602.68

SFMS00061-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 802-246-2684

M02SF027768

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Account#623-34-403 1 -				310.77
	Account#623-34-900 6 -				606.67
	Account#623-34-907 7 -				4,062.86
	Parcel#502-09-011B 3 -				107.27
	Account#623-32-508 3 -				1,351.73
CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT	
10/26/05	1498	Maricopa County Treasurer	0.00	\$6,439.30	

ORIGINAL DOCUMENT PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER - SEE REVERSE SIDE FOR COMPLETE SECURITY FEATURES

WATER UTILITY OF GREATER BUCKEYE, INC.

3800 N. CENTRAL AVE., SUITE 770
PHOENIX, ARIZONA 85012
(602) 224-0711

BANK ONE

BANK ONE, N.A.
Phoenix, Arizona

1498

91-2/1221

Memo:

CHECK NO.

DATE

AMOUNT

1498

Oct 26, 2005

****\$6,439.30

PAY TO THE ORDER OF Six Thousand Four Hundred Thirty-Nine and 30/100 Dollars

Maricopa County Treasurer
P.O. Box 78574
Phoenix, AZ 85062-8574

SAFEGUARD SEC
SAFEGUARD SEC

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈001498⑈ ⑆122100024⑆

2908⑈3663⑈

WATER UTILITY OF GREATER BUCKEYE, INC.

1498

REFERENCE NO.	DESCRIPTION	INVOICE DATE	INVOICE AMOUNT	DISCOUNT TAKEN	AMOUNT PAID
	Account#623-34-403 1 -				310.77
	Account#623-34-900 6 -				606.67
	Account#623-34-907 7 -				4,062.86
	Parcel#502-09-011B 3 -				107.27
	Account#623-32-508 3 -				1,351.73
CHECK DATE	CHECK NO.	PAYEE	DISCOUNTS TAKEN	CHECK AMOUNT	
10/26/05	1498	Maricopa County Treasurer	0.00	\$6,439.30	

SFMS00051-1

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 802-248-2584

M02SF027758